

State Tax Burden

Fiscal Year 2002 vs 2004	Based on Income		Based on Population		Number of States* with Tax
	Type of Tax	% of U.S. Average	Rank	% of U.S. Average	Rank
	Individual Income	109/108	22/21	89/89	30/31
	Corporate Income	72/79	30/27	59/65	34/30
	Sales	94/109	27/18	77/89	39/31
	Motor Vehicles	173/158	3/5	141/129	8/13
	Property	90/88	31/31	74/72	37/37
	Overall	95/97	38/27	78/79	44/43

*Includes Washington, D.C.

- ◆ The State Tax Commission conducts a tax burden study periodically which compares Idaho's taxes to the national average after adjusting for differences in personal income or population among the states (*Comparative Tax Potential: Fiscal Year 2004*, Alan Dornfest, June 2006). The comparison based on income shows higher comparative taxes in Idaho than the ranking based on population because per capita income in Idaho remains 18.3% lower than the U.S. average. We make less so we pay less.
- ◆ Idaho's income tax burden stabilized with little difference between 2002 and 2004. Although Idaho's income based ranking rose slightly from 22nd to 21st, the population based ranking dropped slightly from 30th to 31st.
- ◆ Idaho's relative sales tax burden increased significantly in 2004, following an increase in the tax rate from 5% to 6%.
- ◆ The study reveals that Idaho collects more motor vehicle revenues than most states. This comparison takes registration fees into account, but not sales taxes or personal property taxes. A June 2006 comparison by the Washington State Department of Transportation put Idaho at 22nd based on fuel tax rates.
- ◆ Based on income, Idaho's tax burden ranks in the bottom half of states in two of the five major tax categories. These are the Corporate Income Tax (27th out of 47) and Property Tax (31st out of 51). Based on population, Idaho's tax burden ranks in the top half of states in only the Motor Vehicles tax category.
- ◆ Overall, Idaho's FY 2004 tax burden from *major* state and local taxes ranks 3% below the US average when adjusted for personal income. This underutilization represents about \$124 million. Idaho ranks 21% below average on a per capita basis.